Panel No. 7

Sectt. II-27—104,000—6-11-49.

Development (1951) Department.

MS SERIES.

G.O. NO. 326

39

Dated 23-1-1951

[Despatch Abstract.]

Acts and Rules - State Aid to Industries Act - Application from Chandappa Engineering Works, Mangalore - Loan of Rs. 7,000 and Subsidy of Rs. 5,000/- Sanctioned

DEPARTMENT OF INDUSTRIES AND COMMERCE
Lawleys Gardens, Madras 5.

From
The Director of Industries
and Commerce,
Madras.

To
The Secretary to Government,
Development Department,
Madras.

I 2 1346 A2/50
4-1-51

THIRD ASST. SECRETARY TO GOVERNMENT
4 JAN 1951

Lr.No.S.A.1/50 dated 30th December 1950.

Sub: State Aid to Industries - application from Chandapa Engineering Works, Mangalore.

Sri B. Chandappa, Proprietor, Chandapa Engineering Works, Mangalore has applied under the provisions of the Madras State Aid to Industries Act for a loan of 1,75,000/- for purchase of machinery, for making improvements to the applicant's factory building and for use as working capital.

A copy of the application together with copies of the note prepared thereon for the guidance of the Board of Industries is enclosed.

The application was placed before the Board of Industries at its 58th and 60th meetings held at Madurai and Guntur on 12-8-50 and 18-12-50 respectively. An extract of the proceedings of the meeting is also enclosed.

Orders of Government are requested on the application.

V. Pattabhiraman 3.1.51
for Director of Industries & Commerce.

R.N.S.1.51

NOTE FOR THE BOARD OF INDUSTRIES. (60th meeting).

Application from Sri B. Chandrappa, Proprietor, Chandappa Engineering Works, Mangalore.

The application of Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore was previously considered by the Board of Industries at its meeting held on 12--9--1950. A copy of the note prepared for the use of the Board together with an extract of the Board's proceedings is enclosed.

The Board desired that the applicant should submit modified proposals ~~xxxxx~~ confining his request for aid to the grant of subsidy for the purchase of machinery which would facilitate reduction in the cost of production. The applicant has now submitted proposals for purchase of machinery required for further research and requests that he be sanctioned the maximum amount of subsidy for research as also a loan for commercial manufacture. He does not however specify the amount of loan or the subsidy required by him. A copy of his proposals is enclosed.

The applicant states that the scheme submitted by him is to manufacture fans of the improved models and to eliminate the defects stage by stage by carrying out experiments and research and that, he requires for the purpose the plant and machinery enumerated in the list attached to his proposals. The total cost of the plant and machinery required by him is estimated at Rs. 1,20,000/-. The applicant allgeges that he has spent upto July 1950 a sum of Rs. 40,949-7-9 towards research, but has not stated what further amount he requires for research work alone.

As already submitted in the Note placed before the Board at the previous meeting, the properties offered by the applicant will support a loan of Rs. 7,000/- only.

The views of the Board of Industries are solicited

EXTRACT: (60th meeting)

APPLICATION from Sri B.Chandappa Engineering Works, Mangalore for a loan and subsidy - Revised proposals - consideration of

The applicant was present and he was interviewed by the Board.

The Board resolved to recommend a loan of Rs.7000/- repayable in 20 annual instalments and a subsidy of Rs.5000 repayable in five years subject to the following conditions:--

(i) the loan shall be utilised for working capital;

(ii) the subsidy shall be utilised for purchase of machinery worth Rs.12,500 for conducting research the balance being met by the applicant from his other sources.

NOTE FOR THE BOARD OF INDUSTRIES: (59th meeting) 7

Application from Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore.

Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore has applied for a loan of Rs. 1,75,000 repayable in 20 years for purchase of machinery, for making improvements to the applicants' factory buildings and for use as working capital.

Sri B. Chandappa is reported to be an Engineer of considerable talents running a motor garage and workshop at Hampankatta, Mangalore town. The applicant proposes to take up manufacture of electric ceiling and table fans. The Collector of South Kanara strongly recommends the application. 12

As required by Section 3(2) of the Madras State Aid to Industries Act and as prescribed by the rules framed thereunder, notices inviting objections to the grant of aid to the applicant were published in the Hindu, The Indian Express, the Nava Bharath, Mangalore, the South Kanara District Gazette and the Fort St. George Gazette. No objection have been received.

p.t.o.

The security for the loan consists of the following:--

(i) The garage building erected on T.S.No.13-642/186-2: The Collector ~~of~~ has reported that as a portion of the building in question and the site on which it is built belong to a third party, it cannot be accepted as security.

(ii) The machinery and equipment installed in the applicants' workshop have been reported by the District Industries Officer, Tellicherry ~~works~~ to be worth Rs. 21,297 in all.

(iii) Landed properties of the applicants' Cousin, one Sri B. Babu, offered as colleteral security. The Collector of South Kanara has reported that Sri Babu's rights over the properties in question are limited as he is only one of four joint Mulgemidars with no rights of alienation.

The value of the security limited to the machinery and equipment only would come to Rs. 21,297 only and this will support a loan of Rs. 7,000 only.

The views of the Board of Industries are requested on the application.

59th Meeting: Extract of Board's proceedings.

Application from Sri B. Chandappa, Proprietor, Chandappa Engineering works, Mangalore for a loan of Rs. 1,75,000/-

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The applicant's representative who was present was interviewed by the Board. He demonstrated a table fan manufactured by the applicant in his workshops and stated that it was mainly made with hand labour and that its cost of production was about Rs. 130/. The Board of Industries was of the view that the applicant possessed technical ability of a high order and deserved to be aided by the grant of a subsidy for the purchase of machinery which would enable him to bring down the cost of production. Since the Madras State Aid to Industries Act provided for the grant of a subsidy to meet only 40 per cent of the cost of the machinery, the Board desired that the applicant should be advised to submit modified proposals confining his application for aid to the purchase of such machinery as would enable him to bring down the cost of production. The Board resolved to postpone further consideration of the application till receipt of the revised proposals from the applicant.

Copy of ~~Application~~ letter No. Ref. C. 769/50 dated the 7th November, 1950 from Messrs. Chandappa Engineering Works, Mangalore.

Sub:- State Aid to Industries -Chandappa Engineering works, Mangalore Application for Loan and Subsidy.
Ref:- Your letter No. S.A. 1(K)/50 dated 19th October, 1950.

With reference to your above letter, I beg to submit herewith, modified proposals confining my application for aid to the purchase of such machinery as would enable me to bring down the cost of production. I also beg to state in this connection that after the installation of machinery mentioned in the enclosed modified proposals, the rate of production of the Electric Fans will increase from 2 to 24 fans a day. hence the cost of production per unit will correspondingly decrease.

2. A sum of Rs. 40,949--7--9 has been spent by me for research and experimental purposes up to the end of July 1950, the particulars of which are given in the enclosed statement.

3. A combined scheme of applied research in the manufacture of Electric Fans and Motors, a Comparative statement showing the present cost of production of each type of fan and the reduced cost of production after the installation of the machines are enclosed. I therefore submit that the Government, may be pleased to consider favourably the dual function of my scheme - namely applied research and commercial manufacture.

4. I pray that the benign Government may kindly be pleased to sanction the maximum amount of subsidy for research and loan for Commercial manufacture at an early date so as to enableme to go ahead with the programme of research and experiment and increased rate of production at a much cheaper rate.

(True copy)

IMMEDIATE REQUIREMENTS.

List of Machinery and Price:

1) "Laya" Tilting Crusible Furnace	Rs. 3,800/-
2) One "MYFORD" Turret Lathe	Rs. 1,800/-
3) One 6" Centre "V" and Gap Bed 6' Long Lathe	Rs. 8,000/-
4) One 10" Centre "V" and Gap Bed 7' Long Lathe	Rs.10,000/-
5) One 3/4" Capacity Drilling Machine G. Matheys (Belgium make) Drilling, milling and vertical facing	Rs. 2,500/-
6) Two Bench Drilling machines	
a) 1/2" Capacity; G. Matheys 13F other variety	Rs. 900/-
b) 3/4" Capacity -do- 19F -do-	Rs. 900/-
7) Small Hydraulic or Pnuematic rivetting machine	Rs. 4,000/-
8) Automatic Notching Press	Rs. 7,500/-
9) Hand Shear Cutting Machine	Rs. 500/-
10) Electro Plating equipment (including the required materials)	Rs. 4,500/-
11) Electric Grinders (two off)	Rs. 600/-
12) Coil winding Machines (two off)	Rs. 4,500/-
13) ~~Expt~~ Die casting Machine	Rs 15,000/-
14) Spot Welding Machine	Rs. 6,000/-
15) Spray painting equipment (Small compressure and spray gun etc.,)	Rs. 2,500/-
16) 30 to 40 Tons capacity Power Press (Alfred Herberts quotation)	Rs.10,500/-
17) Special Machine (for manufacturing machine screws) "DATUM" Machine from London	Rs.10,000/-

18) Anemo Meter (for testing air velocity and c.ft.of air)	Rs. 300/-
19) Volt Meter, Ammeter, Universal testing Meter and Megger etc.,)	Rs. 1,000/-
20) Weighing Machines (small size 2 off) (big size one off).	Rs. 2,500/-
21) Hacksawing machine (Indian or foreign)	Rs. 300/-
22) Nail making Machine	Rs. 1,400/-
23) Various Dies for Hydraulic Press	Rs.15,000/-
24) Impregnating Plant.	Rs. 5,000/-
25) Temperature Testing and various other testing Instruments	Rs. 1,000/-
	1,20,000/-.

Amount spent for research and experimental purposes up to the end of July 1950

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1. Fan materials	...	Rs. 20,947 9 3
2. Lathe and machinery charges		Rs. 3,320 0 0
3. Wages Paid	...	Rs. 4,518 8 0
4. Postage & Printing	...	Rs. 266 4 0
5. Electric energy	...	Rs. 886 6 4
6. Travelling expenses	...	Rs. 215 1 0
7. Office Establishment	...	Rs. 7,217 8 0
8. New machines and patterns and fittings	..	Rs. 3,082 14 0
9. Sundry Contingent and other charges	...	Rs. 495 5 2
	Total	Rs. 40,949 7 9

As a result of the above expenditure incurred in connection with the experiments the following improvements have been initiated, but the full effect and lasting benefits would accure only when the experiments are completed. This completion requires further expenditure for which Government subsidy is solicited. The improvements contemplated are:

1. New designs and shapes of blades. A few designs have been tried and more experiments are required.
2. New methods of assembling and insulating laminations to reduce humming notice in fans and to reduce eddy current losses. Partial success has been achieved but experiments are still required to be continued.
3. Substitution of silk covered wires instead of the imported enamel wires.

A Combined Scheme of Applied Research in the Manufacture of Electric Fans and Motors.

The main object of the scheme is to manufacture improved types of Electric Fans and Motors on a factory scale using as far as possible indigenous materials and Indian Labour. The Fans and Motors are no doubt manufactured on a small scale in India, and on a mass production scale in Western Countries. For Indian use the existing types have the following defects and it is the intention to eliminate those defects by practical experiment and research. The defects are:--

1. Low Starting torque - some fans fail to start when switches on, they require a starting push.

2. High current consumption and weak insulation for tropical use. specially in a climate where the maximum and minimum humidity and temperature vary in wide limits.

3. At present imported enamel winding wires are used, they are inferior to silk wires which can be made in India with Kollegal and Mysore Silk.

4. Existing fan blades merely churn the air into a whirl-pool of hot air and do not displace air and create ventilation. Experiments with new shapes and types of blades are contemplated by the scheme.

5. There are other mechanical improvements which are possible and which will make for cheaper and more efficient machines.

The present scheme is to manufacture fans of the improved models on the existing types available in the market, and to eliminate the above defects stage by stage by carrying out experiments and research. For doing this the attached list of plants and machinery are required. The lines of research are not so much based on theory, as on practical adaptations with a view to eliminate the defects. Fundamental research on electrical design is not intended but only practical contrivances and adaptations are aimed at to effect the necessary improvements.

The scheme is in my hands having a considerable practical knowledge to device original designs of machines. The experiments that are proposed to be conducted in regard to blade shapes and design may ultimately lead me to a cheap method of air conditioning of Indian homes and may give rise to a large scale industry.

Distributing charges for Agents at 10% of M.R.	14 0 0	10 0 0
Companies profit @ 5% of retail price at present	7 0 0	-- -- --
Companies profit @ 10% of the retail price in future	--- - -	10 0 0
	140 0 0	100 0 0

Present retail price 140 0 0 Future retail price 100 0 0

1. The anticipated reduction in retail price by Rs.40/- from Rs. 140/- to Rs. 100/- works cut to 28.6% cut, which is appreciable, giving a rise in the profit for the Company from Rs.7/- to Rs. 10/- on each (i.e., 5% to 10% of retail price) The anticipated retail price ofRs. 100/- in comparision with the present price of Rs. 140/- shows a big reduction of 71.5% of the present retail price, which fall is due to the machinery work and increase in production.

2. Reduction in the cost of manufacturing of each fan from Rs. 119/- to Rs. 80/- works cut to 32.8%. The future manufacturing cost of Rs. 80/- in comparison with the present manufacturing cost of Rs. 119/- works cut to 67.3% which is the result of machinery work and increase in production from 1 fan to 12 fans per day,

Materials cost will be substantially reduced by 14 rupees on each fan by cutting short the outside purchases of some semi-finished products and the purchase of raw materials by whole sale deals.

3. Labour:- Labour charges per fan will come down to Rs. 18-8-0 from Rs.40/ , is a clean 53.7% reduction over the hand labour.

Overhead: Overhead charges will show a decrease by Rs. 2/- per fan, works cut to 20% below the present rate.

Fixed Table Fan:- In the case of fixed table fans the cost of gear box viz., Rs. 45/- has to be deducted from the above cost. Hence the present cost of manufacture of each fixed table fan and the reduced cost after the machines are installed works cut to Rs. 95/- and Rs. 55/- respectively.

Application for the Aid under the State aid to Industries Act 1922 (Madras Act V of 1923)

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1. Name of the Applicant.

B. Chandappa.
Prop: Chandappa Engineering Works, Opp.Govt.College, Mangalore,
(S.P.Factory No.580507)

2. Nature of the Industrial concern for which aid is sought.

i) The manufactured goods are:
a) Electrical Table Fans (Fixed)
b) - do - (Oscillating)
c) - do - Exhaust Coolair Window Fans.
d) Ceiling fans etc., make of different sweeps.
e) All motor spare parts of any model non-procurable in the market.
f) Cylinder reboring machines - Air compresure, drilling machines, spray painting sets, milling machine attachment to Lathe - Vacum sealing apparatus etc.,

ii) The present valuation of the entire concern both fixed and working capital is Rs.50,000/-

iii) All these years we have been mainly working in Automobile line and were manufacturing Motor spare-parts not available in the market due to international situation, as mentioned above in item 2(i) (e) and for the last one year, we have been busy after manufacturing electric fans etc., as stated above in items 2(a) to (d). After the proposed installation the production for the first year is estimated at 12 units a Day and this will be increased according to the needs of the time.

iv) No auditor has been appointed by me as it is a single man concern and in future I propose to appoint one.

3. The administrative, technical and executive staff existing or to be appointed with qualifications.

B. Chandappa, the Proprietor of the concern is the Chief Administrator now.

Technical and executive staff:
a) Two qualified hands.
b) Six skilled men with practical experience.
c) Twelve apprentices.

After the government financial aid is secured, I intend either to appoint two qualified Engineers or conduct the whole business by forming a Board of qualified Engineers who will tender their technical advice at regular intervals on remuneration.

4. The facilities available for the development of the Industry.

i) At present the important items viz. the Lamination sheets (Electrical Sheets) are obtained under licence from the Central Government and other required articles can be had from Bombay, Madras, Calcutta or locally.

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ii) Transport: Steamer. Railways and buses.

iii) Marketting: For the present local consumption. After the installation, I intend to supply these to Government, Railways and other wholesale dealers in India and abroad.

iv) When the proposed installation is complete it is arranged to be produced 12 pieces of Fans of different Types and sweeps a Day, along with any other order procured. The anticipated net profit is estimated Rs.50/- to 60 thousands in the first year.

5. The nature of the processes to be employed. | Hydraulic, Electricity and manual.

6. a) Details of plant and machinery installed:--

Name of the machine or equipment and size.	Mafr's Name and address.	Date of purchase year.	Cost.	Condition at the time of purchase.
1. One Lathe 7' in length.	Praksen's Machine & Tool Works, Hamberg.	1945	Rs.1,000/-	New.
2. a) Hand power Drilling machine 2½' x 1½'	Buffalow Forge Co. U.S.A.	'35		"
b) Belt Drive machine.	Indian Make.	'37		"
c) Primro Electric Drilling, 1840 MM.	Primro Pillar Drilling 22MM.	'47		"
d) Electric Hand Drill 1' x 6"	Blacks & Decker England.	'47	Rs.690/-	"
3. Air compressure receiver & sprary painting instuments - complete.	B.C.E. Works. Mangalore.	'40	2,000/-	"
4. Gas Welding Plant. Usual size.	M/S. India Oxygen Co., Tatapuram.	'47	1,010/-	"
5. Milling machine. Attachment to the Lathe 2' x 1'	B.C.E.works, Mangalore.	'46	500/-	"
6. Reboring machine 3' x 2' Motor Drive.	B.C.E.Works, Mangalore.	'46	1,200/-	"
Reboring grinder tools.	Foreign, sunnen Products Co.,	'48	450/-	"
7. Quick, Clamp, Blower, Anvil and all the required Hammers, spanners, files etc., required for a Factory and Workshop.	'INCINNATI' Co., Foreign. British & American.	Repairs as when they become unserviceable		"
8. Transformer & Magneto winding machine, Elec. Motors of ¼, ½, & 1 H.P. (7).	B.C.E.Works. Foreign, American & British.	1945 to '47	1,520/-	"
9. Three Bench vices Wooden 18" x 6", Table vices 9" x 2½" Leg vices 1½' x6" leg 3'	Foreign 186B/6 " 186B/00 "	1935 to '46 '35 to '46	350/-	"

10.Unfinished Milling Machine	B.C.E.Works, Mangalore.	1948-'49	Rs.2,000	New.
11.Rectifier.	Philips	1940	" 200/-	"
12.Radio Testing Instrument.	Simpson & Co.,	1940	" 550/-	"
13.Front wheels alignment Tool for Motor Vehicles.	Dunlop.	1936	" 90/-	"
14.Radio Signal Instrument.	Supreme.	1941	" 500/-	Second hand.
15.Exhaust Fans.30½"x30½"	B.C.E-Works	1948	" 1,000	New.
16.Step Down Transormer.	Simpson & Co.	1941	" 70/-	"
17.Three Ceiling fans.	B.C.E.works.	1949	" 500/-	"
18.Six Table Fans(3 oscig.)	- do -	1949	" 750/-	"
19.Tunston Carbide tool bits.	Sunnen Products.	1948	" 90/-	"
20.High speed tool.	Cota material.	'48	" 68/-	"
21.Press.	B.C.E.Works.	'49	" 500/-	"
22.Four jacks.	Dunlop	'42	" 340/-	"
23.Lamination Cutting machine.	Bombay Firm.	'49	" 300/-	"
24.Motor Cycles(2 in numbers)	Radco and Aerial	'38 & 1945.	" 2,000	Second hand.
25.Dynamo with switch Board.	B.C.E.Works.	1940	" 200/-	New.
26.Electric Meter.	Measurement Ltd., London.	1948.	" 50/-	"
27.Radios(Three)	Philco	1948	" 2.800/-	"
28.Electic clock.	G.E.	1949	" 100/-	"
29.Loud speakers.	Philco	1947	" 70/-	"
30.Iron sheet cutter.	Foreign.	1948.	" 110/-	"
31.Electic Gramphone	Philips.	1940	" 100/-	"
32.Pick Ups.(Two)	"	1940	" 73/-	"
33.Main Transformer.	American (9 valves)	'46	" 70/-	"
34. - do -	Norman Radio products(8 valves)	'47	" 120/-	"
35. Electric ceiling fan 56" sweep)(one)	H.E.W.	'47	" 250/-	"
36. Coolair Exhaust fan belts(21 pieces)	Speedona.	'48	" 63/-	"
37. Main shaft bearing.	Fisher bearing Co., London.	'49	" 60/-	"
38.Crusubles four	Carborundum.	'48	" 80/-	"
39.Micro Meter 1"	English JH-2	'47	" 30/-	"
40.Spirit Level.	English	'47	" 90/-	"
41. Cylinder bore Micrometer.	Mercer British	'47	" 120/-	"
42.Spray Paints & Thinner.	Foreign.	'49	" 406/-	

(b) Proposed to be installed.

No. of machine or equipment and size.	Manufacturers' Name & Address.	Cost & Deliver Time promised		Condition New Or Second
1-Dies for cutting Lamination sheets(6)	M/S.C.V.A.Jigs. Mould & Tools Ltd. London. as intimated by the Co., the price is £.920/-ex-works for each components of the die to be supplied from ready stock i.e.Rs.82,800/-	From immediate stock.		New
V. 2/Bed Lathes two 6' in length.	M/s.Batliboi & Co., Bombay or Hasanboi Jeetha Bombay or through other companies if they are in a position to import immediately.		Rs.20,000/-	
3.V.Bed lathe 3' or 4' in length one	- do -		" 8,000/-	

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4. Hydraulic Presses for cutting lamination & stampings & Fan blades(2)	- do -	~~Rs.8,000/-~~
5. One Milling Machine.	- do -	Rs 20,000/-
6. One Shaping machine	- do -	10,000/-
7. The polishing machine	- do -	7,000/-
8. One nickle plating plant. Complete.	- do -	500/- 1,000/-

7. The total estimated cost of the undertaking and the probable time that will be occupied in its execution(Details of recurring and non-recurring expenditure should be furnished separately. 7-a)	The total cost to complete the proposed works is estimated at Rs.160000/- The work is in progress and the aid is sought for purchasing machineries to improve and develop the Indian Industries.

Estimated non-recurring expenditure	Already incurred	Proposed to be incurred.	Total.
i) Land rented.		Rs 10,000/-	10,000/-
ii) Building	Rs.10,000/-	" 10,000/-	20,000/-
iii)Machinery & equipment	" 43,500/-	1,06,500/-	1,50,000/-
iv) Installation erection charges.	" 3,000/-	10,000/-	13,000/-
	" 56,500/-	136,500/-	193,000

Estimated recurring expenditure per annum after the additions proposed above have been made.

i) Raw materials and Stores.	Rs.	1,20,000/-
ii)Power and fuel.	"	8,000/-
iii)Labour.	"	45,000/-
iv)Over head charges.	"	50,000/-
Total Rs.		2,23,000/-

8. Approximate number of operative employed or to be employed. — At present there are twenty men at work. After the proposed scheme is worked out it is arranged to have atleast 50 men or more.

9. Estimated ~~net~~ expenditure per annum in running the works. — After the installation the cost of running the work will amount to Rs.1,23,000/- leaving labour and over head charges.

10. Estimated net profits.

Proforma Profit & Loss account.

To cost of Raw Materials.	Rs.	1,20,000	By sale of the	
" Labour	"	45,000	manufactured fans	
" Power Fuel.	"	8,000	all kinds at the	
" Over head charges	"	50,000	rate of 12 pieces	
" Interest on Govt.loan	"	5,250/-	a day at an average	
" Repayment of debt.	"	8,750/-	price of Rs.100/-	
			each Rs.3,00000	
		2,37,000/-		
Profit.		63,000/-		
		3,00,000/-		3,00,000

11. Reasons why the business cannot be financed without State Assistant.	The Proprietor is of a Backward community who has no outside financial help. He has no mind to float a public concern(Limited).Hence the State aid is sought. The loan amount will be utilised for purchasing machineries and equipments improving the factory building and for purchasing raw materials required for manufacturing Electric fans etc.,
12. Nature and extent of State aid applied for(The particular clause of section 6 under which the aid is applied for should be stated.	Rs.1,75,000/- (One lakh and seventy five thousand)only. If the benign Government is pleased to supply the Machineries shown against item 6(b) supra, it is sufficient if a loan of Rs.50,000/- (Fifty thousand only is sanctioned.
13.Security offered:--	The improved garage building standing on leased ~~(deed)~~ plot T.S.No.13-642/186-2, with all the machine as shown above (6 A.M.)
a) If land. i)Survey No. ii)Extent. iii)Assessment. iv) In whose name registered.	B. Chandappa.
(b) Nature and other security if any offered.	All the machineries and equipments shown against item 6(a) supra and those to be purchased as per particulars shown against item 6(b). The improvement made by me and to be made in the rented factory plot. The plan of the Factory showing the existing building is enclosed.
14. Nature and extent of the applicant's right in the concern whether as co-sharer or proprietor or otherwise and his financial resources.	Proprietory right.
15. Nature and extent of the applicant's right to the property offered as security.	Proprietory right.
16. Nature and extent of en-cumbrances on the immoveable property offered as security primary or collateral.	Nil.
17.Whether any arrears are due on the immoveable property offered as security primary or collateral and if so the nature and extent of such arrears.	Nil
18. Period within which and number of instalments in which the applicant propose to repay the loan.	Within as many instalments as is permissible under the rules in force.
19. Approximate additional net income expected to be earned as a result of proposed expenditure.	Between Rs.50,000/- to Rs. 60,000/- This ~~(depends)~~ profit is estimated in a year upon the annual out put which can be increased by installing machineries now.

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20. If the applicant is from a Joint Stock Company the amount of Capital actually subscribed and paid up and the number of shares held by each of the Directors and their salary and fees and other perquisities should be stated. | No.

21. Any other Remarks.:-- At present my concern is being run in a small scale due to financial draw-back. I am in turning this concern to a first rate business house in case the benevolent Govt.comes to my aid in lending the loan applied and prayed for. In this connection I may kindly be permitted to submit that I shall manufacture and supply all the Ele.Fans of different sizes to Govt. if the benign Govt. wants me to supply them only to Govt. I also beg to enclose copies of the Visit remarks recorded by the Honorable Sri P. Kumaraswami Raja, The Premier,Govt. of Madras and the other prominent and high officials and distinguished persons,for your perusal which will speak for themselves.

Declaration:-- I, B. Chandappa, Electrical & Automobile Specialist declare, that the statement made above is true to the best of my knowledge and belief.

Station: Mangalore.
Date:

B Chandappa
PROPRIETOR.

Honourable,

P.S. Kumaraswamiraja,
Premier of Madras.

I had the pleasure of visiting Chandapp's Engineering Works, this morning. This institution is an example illustrating how individual ability and talents can succeed, if pursued with perseverence. The articles manufactured here, speak well of Mr. Chandapp's Engineering skill.

Sd: P.S. Kumaraswamiraja.

Mangalore.
27-10-'49.

(TRUE COPY)

Sri Chandappa is a Self-made Engineer of Versatile talents. The revolving table fans and the exhaust fans recently made in his factory are examples of his technical skill. I wish him every success in his business enter-prise.

Camp:Mangalore.
29th October'49.

Sd: A.B.Shetty,
Minister for Agriculture.

(TRUE COPY)

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I, visited the Chandappa Engineering Works, Mangalore and was kindly shown round by Sri Chandappa Bangera.its founder and Proprietor. Like many such enterprises in our country, this factory is a Single-man Concern and has grown up around the practical ability and initiative of a Self-made machanic and Engineer. Mr. Chandappa has made a Cylinder boring machine and several Exhaust and ventilating fans which speak highly for the theoritical soundness and the practical skill with which they are constructed. Mr. Chandappa has further programme of manufacturing useful appliances and I have no doubt that he will succeed in them also. I wish this concern all success and a prosperous future.

Sd. N.M. Adyanthaya,
Rotd.Joint Director of Industries,
Kadri Hill, Mangalore.

2-4-1949.

(TRUE COPY)

I, visited the Mr. Chandappa Engineering Works this morning. Mr. Chandappa is an Automobile Engineer of a high order. He has an originality which gives high efficiency to all the Automobile work he has done. The cylinder boring machine and Exhaust fans that he has manufactured are exampies of the genius: He handles the Motor Engine with the skill of a surgeon.

Mr. Chandappa is a Radio Engineer as well. He handles and repairs the Radios all makes as any high class Radio Engineer does.

I wish him and his concern all success and prosperity.

Sd. M. Sunder Rao,
Personal Asst. to the Special Officer
(Collector)

Mangalore.
5-4-1949

(TRUE COPY)

9th October, 1949.

This evening I had the opportunity to see at work the Cylinder boring machine, Exhaust and ventilating fans and the several parts manufactured by Sri Chandappa, the founder and -- proprietor of the Chandappa Engineering Works. With some finishing touches they could quite favourably compare with any make of the kind. The originality, machanical skill and the invention ability of Sri Chandappa and persons of his stamp deserve every encouragement so that our country may forge a head as it should.

Sd. Y. Sathyaishwar,
Dt.Superintendent of Police,S.K.

(True Copy)

South Kanara is not lacking in talents. It is rich in talents of a high order also. A visit to "Chandappa Engineering Works" easily gives this idea.

Mr. Chandappa does not possess academic qualification. He is a self-made machanic and possesses remarkable resourc - fulness and initiative. The cylinder boring machine, the Exhaust and ventilating fans, the table and Ceiling fans untouched by modern machinery are achievements of which he may well be proud.

"The works" have a big future but then the Government and the Public have to come to his rescue. Will they do it?.

SD. L.C.Pais,B.A.,B.L.,M.L.A.
and Chairman Mangalore Municipal council.

Date:20-10-1949.

I was extremely pleased to find the excellent work turned out by Sri Chandappa. His fans have a finish that can stand comparison with any made elsewhere. I wish him every sucess.

Sd: K.V. Karantha,
Chief Electrical Inspector to Govt.

(TRUE COPY)

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35 Dev.Dept.

ACTS AND RULES - State Aid to Industries Act - Application from Chandappa Engineering Works, Mangalore - Loan of Rs.7,000/- and subsidy of Rs.5,000/- Sanctioned

Read:-From the D.I. & C. No. S.A.1/50 d/30-12-1950.

G.O.Ms.No. 326 dated 28/1/51.

H.E. the Governor of Madras sanctions, subject to the conditions specified below, the grant of a loan of Rs.7,000/- (Rupees seven thousand only) and a subsidy of Rs.5,000 (Rupees five thousand only) to Sri B. Chandappa, Preprietor, Chandappa Engineering Works, Mangalore.

2. The conditions to the grant of the loan and subsidy are:

(a) Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore, shall execute a mortgage deed hypothecating to the Govt. as security for the due repayment of the loan with interest and the subsidy, the machinery shown in the annexure to these proceedings and the additional machinery (worth about Rs 12,500/-) proposed to be purchased with the subsidy now granted.

(b) The proprietor of the company should insure the machinery and equipment offered as security against loss or damage by fire and assign the policy in favour of H.E. the Governor of Madras before the disbursement of the loan.

(c) The entire proceeds of the loan shall be utilised for working capital and the subsidy shall be utilised for the purchase of machinery worth Rs.12,500 for conducting research, the balance being met by the applicant from his other sources.

(d) If it shall be proved to the satisfaction of the Govt. that the loan and subsidy sanctioned have not been fully applied for the purpose for which they are granted, the balance of the loan and subsidy or such portion of it, as the Govt. may determine, with interest and costs, if any, shall be recovered as provided for in Section 18 of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923).

(e) The loan will bear interest at 5% per annum and shall be repaid in twenty annual instalments of Rs.562/- (Rupees five hundred and sixty two only) each, the first instalment being repaid on 1-7-1952 and the subsequent instalments on the first of July of every following year until the loan with interest has been repaid. For the period in excess of 12 months intervening between the date of disbursement of the loan and 1st July 1952, simple interest on the whole amount shall be paid with the first annual instalment.

(f) On every instalment of the loan which is not paid on the due date, penal interest at the rate of 7½% shall be levied from that date upto the date of its repayment.

(g) The annual instalment of the loan shall be paid at the nearest Govt. Treasury to the credit of the Govt.

(h) The proprietor of the company shall abide by all the provisions of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) and the rules framed thereunder.

(i) The subsidy should be repaid at the end of five years.

3. The mortgage deed referred to in para 2 above should be executed before the disbursement of the loan.

4. The expenditure on account of the disbursement of the loan shall be debited to "Loans and Advances bearing interest :- Advances ~~made by the Director of Industries & Commerce~~ under Special Laws (State Aid to Industries Act)-Advances made by the D.I. & C. and the expenditure on account of disbursement of the subsidy should be debited to 43. Industries :- Industries-A. Direction - 4. Other Charges"

To the D.I. & C.
the A.G. thro' the Fin. Dept.
Copy to Sri B.Chandappa
Proprietor,
Chandappa Engineering
Works, Mangalore.

Annexure.

Machinery: H.E.'A' on pp 21-23 c.f. as edited.

S.F.1 s/c 2

GOVERNMENT OF MADRAS.

ABSTRACT.

ACTS AND RULES - State Aid to Industries Act - Application from Chandappa Engineering Works, Mangalore - Loan of Rs.7,000/- and subsidy of Rs.5,000/- - Sanctioned.

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DEVELOPMENT DEPARTMENT.

G.O.Ms.No.328. Dated 23rd January 1951.

Read the following:--

From the Director of Industries and Commerce No.S.A.1/50 dated 30-12-1950.

..

ORDER:

His Excellency the Governor of Madras sanctions, subject to the conditions specified below, the grant of a loan of Rs.7,000/-(Rupees seven thousand only) and a subsidy of Rs.5,000(Rupees five thousand only) to Sri B.Chandappa, Proprietor, Chandappa Engineering Works, Mangalore.

2. The conditions to the grant of the loan and subsidy are:

(a) Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore, shall execute a mortgage deed hypothecating to the Government as security for the due repayment of the loan with interest and the subsidy, the machinery shown in the annexure to these proceedings and the additional machinery worth about Rs.12,000/- proposed to be purchased with the subsidy now granted.

(b) The proprietor of the company should insure the machinery and equipment offered as security against loss or damage by fire and assign the policy in favour of His Excellency the Governor of Madras before the disbursement of the loan.

(c) The entire proceeds of the loan shall be utilised for working capital and the subsidy shall be utilised for the purchase of machinery worth Rs.12,5[illegible] for conducting research, the balance being met by the applicant from his other sources.

(d) If it shall be proved to the satisfaction of the Government that the loan and the subsidy sanctioned have not been fully applied for the purpose for which they are granted, the balance of the loan and subsidy or such portion of it, as the Government may determine, with interest and costs, if any, shall be recovered as provided for in Section 18 of the Madras State Aid to Industries Act, 1951(Madras Act V of 1951).

(e) The loan will bear interest at 5% per annum and shall be repaid in twenty annual instalments of Rs.562/- (Rupees five hundred and sixty two only) each, the first instalment being repaid on 1-7-1952 and the subsequent instalments on the first of July of every following year until the loan with interest has been repaid. For the period in excess of 12 months intervening between the date of disbursement of the loan and 1st July 1952, simple interest on the whole amount shall be paid with the first annual instalment.

(f) On every instalment of the loan which is not paid on the due date, penal interest at the rate of ~~xxxx~~ 7½% shall be levied from that date upto the date of its repayment.

(g) The annual instalment of the loan shall be paid at the nearest Government Treasury to the credit of the Government.

(h) The proprietor of the company shall abide by

p.t.o.

the provisions of the Madras State Aid to Industries Act, 1922 (Madras Act V of 1923) and the rules framed thereunder.

(1) The subsidy should be repaid at the end of five years.

3. The mortgage deed referred to in paragraph 2 above should be executed before the disbursement of the loan.

4. The expenditure on account of the disbursement of the loan shall be debited to "Loans and Advances bearing interest - Advances under Special Laws(State Aid to Industries Act) - Advances made by the Director of Industries and Commerce and the expenditure on account of disbursement of the subsidy should be debited to '43. a - Industries - Industries - A. Direction - 4. Other Charges".

J.M. LOBO PRABHU,
Secretary to Government.

To the Director of Industries and Commerce
,, Accountant-General thro' the Finance Department
Copy to Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore.

Forwarded/By order

Superintendent.

Annexure.

Name of the machine or equipment and size.	Mafr'n Name and address.	Date of purchase year.	Condition at the time of purchase.
1.	2.	3.	4.
1. One Lathe 7' in length.	Praksen's Machine & Tool Works, Hamberg.	1945	New
2. a) Hand power Drilling machine 2 ' x 1½'	Buffalow Forge Co. U. S. A.	'35	,,
b) Belt Drive machine	Indian Make.	'37	,,
c) Primro Electric Drilling, 1640 W.	Primro- Pillar) Drilling 32 MM)	'47	,,
d) Electric Hand Drill 1' x 6"	Blacks & Decker England.	'47	,,
3. Air compressure receiver & spray painting instruments - complete.	B.C.E.Works, Mangalore.	'40	,,
4. Gas Welding Plant. Usual size.	M/s.India Oxygen Co., Tatapuram.	'47	,,
5. Milling machine. Attachment to the Lathe 2' x 1'	B.C.E. Works Mangalore.	'46	,,

p.t.o.

41

1.	2.	3.	4.
6. Reboring machine 3' x 2' Motor Drive. Reboring grinder tools.	B.C.E.Works, Mangalore. Foreign, Sunnen Products Co.,	'46 '48	New. ,,
7. Quick Clamp, Blower, Anvil and all the required Hammers, spanners, files etc., required for a Factory and Workshop.	'INCINATI' Co., Foreign British & American	Replaced as when they become unserviceable.	
8. Transformer & Magneto winding machine, Elec. Motors of ¼, ½, & 1 H.P.(7).	B.C.E.Works. Foreign, American & British.	1945 to '47	,,
9. Three Bench vices Wooden 18" x 6", Table vices 9" x 2½" Leg vices 1½"x6" leg 3'	Foreign 186E/6 " 186B/00 "	1935 to '46 '35 to '46	,,
10. Unfinished Milling Machine	B.C.E.Works, Mangalore.	1948-'49	,,
11. Rectifier.	Philips	1940	,,
12. Radio Testing Instrument.	Simpson & Co.,	1940	,,
13. Front wheels alignment Tool for Motor Vehicles.	Dunlop.	1938	,,
14. Radio Signal Instrument.	Supreme	1941	Second hand
15. Exhaust Fans. 30½"x30 "	B.C.E. Works	1948	New.
16. Step Down Transformer.	Simpson & Co.	1941	,,
17. Three Ceiling fans.	B.C.E.Works	1949	,,
18. Six Table Fans(3 osclg.)	-do-	1949	,,
19. Tungsten Carbide tool bits.	Sunnen Products.	1948	,,
20. High speed tool	Cata material	'48	,,
21. Press	B.C.E.Works	'49	,,
22. Four jacks	Dunlop	'42	,,
23. Lamination Cutting machine	Bombay Firm	'49	,,
24. Motor Cycles(2 in numbers)	Radco and Aerialite	'38 and '45	Second hand
25. Dynamo with switch Board	B.C.E.WORKS	1940	New.
26. Electric Meter.	Measurement Ltd., London.	1948	,,
27. Radios(Three)	Philco.	1948	,,
28. Electric clock	G.E.	1949	,,
29. Loud speakers.	Philco.	1947	,,
30. Iron sheet cutter.	Foreign	1948	,,
31. Electric Gramphone	Philips.	1940	,,
32. Pick Ups.(Two)	,,	1940	,,
33. Main Transformer	American(9valves)	'46	,,
34. -do-	Norman Radio products(8 valves)	'47	,,
35. Electric ceiling fan 56" sm sweep(one)	I.E.W.	'47	,,
36. Coolair Exhaust fan belts (21 pieces)	Speedona.	'48	,,
37. Main shaft bearing.	Fisher bearing Co., London.	'49	,,
38. Crucubles four	Carborundum	'48	,,

p.t.o.

1.	2.	3.	4.
39. Micro Meter 1"	English JH-2	'47	New
40. Spirit Level	English	'47	,,
41. Cylinder bore Micrometer	Mercer British	'47	,,
42. Spray Paints & Thinner	Foreign.	'49	,,

True copy.

krs/25.1.

Superintendent.

S/C

INDUSTRIES - State Aid to Industries - Application Chandappa Engineering Works, Mangalore.

C.No. 1346 05/51. p 1 cf

From the D.I. & C. No. S.A.1/50 dated 30-12-1950.

To A.S.

Sri B. Chandappa, Proprietor, Chandappa Engineering Works, Mangalore, has applied under the provisions of the Madras State Aid to Industries Act for a loan of Rs.1,75,000/- for purchase of machinery, for making improvements to the applicants' Factory buildings and for use as working capital. The applicant is engaged in the manufacture of Electrical ~~fan~~ table fans, motor spare parts etc. The value of the security offered will support a loan of Rs.7,000 only.

pp 19-32 cf

A'on p 19 cf

A:- r 9.5

2. The application was considered by the Board of Industries at its meetings held on 12-9-1950 and 19-12-1950. The Board was of the view that the applicant has ~~possessed~~ technical ability of a high order and deserved to be aided by the grant of a subsidy for the purchase of machinery which would enable him to bring down the cost of production. Since the Madras State Aid to Industries Act provided for the grant of a subsidy to meet only 40 per cent of the cost of the machinery, the Board desired that the applicant should be advised ~~the applicant was asked~~ to submit modified proposals confining his application for aid to the purchase of such machinery as would enable him to bring down the cost of production. The revised proposals submitted by the applicant ~~xxxxxxxxxxxxxxxxxx~~ were considered by the Board of Industries and it has recommended the grant of a loan of Rs.7,000/- and a subsidy of Rs.5,000/-, subject to the conditions mentioned at 'A' on p.5 c.f. For orders whether the recommendation of the Board of Industries may be accepted. Subject to orders, a draft Order is submitted below for approval. It may be sent to Finance for acceptance.

(For delay, please see the Route slip note below.)

9-1-51

19/1/51

2

GX

The applicant may not be able with his limited resources and without additional technical staff to manufacture electrical goods to compete with the products of bigger establishments engaged in similar undertakings. However he has explained clearly what his objective is and what he proposes to do in the first instance. This modest scheme deserves encouragement and the Board's recommendations may be accepted. ~~may~~ may see for remarks.

Sju 11/1/51 S 11/1 Fin

Dev UO. 1366 Dev/51 12-1-51

Fin (Exp. A)

Please see the notes on ¶¶ 1-2 above.

In the circumstances explained, this Dept. may agree to the sanction of a loan of Rs 7,000/- and a subsidy of Rs 5,000/- (refundable at the end of five years) to the Proprietor, Chandappa Engineering Works, Mangalore. The draft order below may be accepted.

MS 14.1.51

B 16.1.51 S

MM 16/1

Dev 6972 18/1/51

[⊗ The recommendation of the Board is in Statement appended "at the close of Sec 16 of the

ASSISTANT SECRETARY TO GOVERNMENT 4254 12 JAN 1951 FINANCE DEPARTMENT

ND 4254 EA/51 16/1/51

SECRETARIAT TO GOVERNMENT 18 JAN 1951 DEVELOPMENT DEPARTMENT

22/19/1

Dev. Dept.

TO A.S.

Notes from page 1 above may be perused. For orders whether the draft order ✓A: p 2 above below, which has been accepted by Finance may now issue.

18.1.57 19/1/57

19/1

Sd. M (Secd) 19/1

pp 35 36 (Issued as Cos 44s. 326, Dev. dl 23-1-1957